

CReAM Newsletter - August 2014

Content

Dear colleague,

The past few months have been very busy here at CReAM. We launched a briefing document '[What do we know about migration](#)' to inform the debate on migration, got a lot of media attention on the release of our research on Germany competitiveness '[From Sick Man of Europe to Economic Superstar: Germany's Resurgent Economy](#)' and Christian Dustmann has been elected as the incoming President of the [European Association of Labour Economists](#) (EALE). He has also joined a panel of the [National Academy of Science](#) (NAS) to study the Economic and Fiscal impact of Migration. This study will upgrade the 'New Americans' project, still an authoritative source on the topic, from 1997.

As you may have noticed, we have re-designed our logo and the entire [CReAM](#) webpage.

Last month we produced the final issue of the NORFACE Compact series '[Migration: Paths of Exploration](#)', that marks the close of the NORFACE Migration Research Programme.

The NORFACE Discussion Paper Series will continue to be published on the CReAM website after the end of the programme as will the [CReAM Discussion Paper Series](#).

We also continue a busy visitors programme and have welcomed many new CReAM Fellows, as you will see in our [People at CReAM](#) section.

In this newsletter you find the latest news from CReAM and information about recent CReAM discussion papers.

All CReAM news and new Discussion Papers are always on CReAM's Twitter page so you can [follow us on Twitter](#).

As we are always eager to improve the dissemination of information about CReAM, any suggestions or comments you might have would be highly welcome. Simply send an email to cream@ucl.ac.uk

We hope you have a great summer!

The CReAM team

CReAM in the News:

[CReAM informing the debate on migration](#)

[Research on Germany's Competitiveness](#)

NORFACE Compact: [Migration: Paths of Exploration](#)

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Informing the debate on Migration

CReAM launched a briefing document 'What do we know about migration?' to inform the debate on migration. The document summarised the key findings of 10 issues that relate to immigration, such as innovation and trade, fiscal and labour market effects, education, the health system and housing and crime and international development. It points out the state of research on these issues, and at the same time explains the challenges to obtaining reliable figures. [Read the briefing document](#).

Research on Germany's Competitiveness

CReAM research finds that the transformation of the German economy from the 'sick man of Europe' to a highly competitive economy was predominantly due to decentralisation of wage bargaining rather than government labour market reforms.

[Read the full paper](#)

- 3 February 2014 This Voxeu.org article summarises the reserach article 'From sick man of Europe to economic superstar: Germany's resurgence and the lessons for Europe' by Christian Dustmann, Bernd Fitzenberger, Uta Schönberg, and Alexandra Spitz-Oener. [Read article](#)
- 3 February 2014 Christian Dustmann gives an interview to the German MDR radio about the role of decentralised wage bargaining for the competitiveness of the German economy. [Listen to the interview](#)
- 6 February 2014 Christian Dustmann is interviewed on the programme "Ortszeit" on "Deutschlandradio Kultur" about the reasons behind Germany's competitiveness. [Listen to the interview](#)
- 13 February 2014 A BBC News article about the German and French economies refers to the study "From Sick Man of Europe to Economic Superstar: Germany's Resurgent Economy" by Christian Dustmann, Bernd Fitzenberger, Uta Schönberg and Alexandra Spitz-Oener. [Read article](#)

NORFACE Compact Migration: Paths of Exploration

"Migration: Paths of Exploration" - the third and final issue of the Norface Compact Series reviews a selection of both on-going and completed studies. The variety of topics covered is a testament to the breadth and the complexity of issues addressed in the Norface Migration Programme, ranging from migrants' decision to the welfare of their children and other family members to the effects on sending and receiving communities and countries. [Access Publication](#)

People at CReAM

New **CReAM Fellows** [Govert Bijwaard](#), [Uwe Blien](#), [Mari Vaattovaara](#), [Malcolm Brynin](#), [James Raymer](#), [Pieter Bevelander](#), [Volker Grossmann](#), [Christian Schluter](#), [Ana Ferrer](#), [Cristina Cattaneo](#), [Joan Llull](#), [Jan van Ours](#), [Peter Nijkamp](#), [Valentina Mazzucato](#), [Carlo Devillanova](#), [Michele Pellizzari](#), [Brit Oppedal](#) and [Ayse Guveli](#).

CReAM visitors Recent visitors to CReAM include: [Michele Battisti](#) and [Avi Tillman](#).

Recent CReAM Discussion Papers

Please find below a selection of our most [recent CReAM discussion papers](#).

[Age at Immigration and High School Dropouts](#)

CReAM Discussion Paper No 31/14

[Sarit Cohen Goldner](#) and [Gil S. Epstein](#)

We focus on high school dropout rate among male and female immigrant children. We consider the relationship between the dropout rate and age of arrival of the immigrants. Using repeated cross sectional data from the Israeli Labor Force Surveys of 1996-2011 we show that the share of high school dropouts among immigrant children who arrived from the Former Soviet Union during 1989-1994 is at least as double than among natives in the same age group... [more](#)

[Does Regional Ethnic Diversity Moderate the Negative Effect of School Ethnic Diversity on Educational Performance?](#)

CReAM Discussion Paper No 30/14

[Sjaak Braster](#) and [Jaap Dronkers](#)

This paper address the question whether ethnic diversity in school classes in the context of major cities and metropolises, where children from an early age grew up with the phenomenon of ethnic diversity, has a positive effect on the educational performance of migrant pupils. We use PISA 2006 data with 8,521 immigrant students from 35 origin countries, living in 15 destination countries, and all 72,329 native students in these countries.... [more](#)

[Family Migration and Relative Earnings Potential](#)

CReAM Discussion Paper No 29/14

[Mette Foged](#)

I document that couples are more likely to migrate if household income is disproportionately due to one partner, and that families react equally strong to a male and female relative earnings advantage. A unitarian model of family migration in which families may discount wives' private gains is used to derive testable implications regarding the type of couples that select into migrating. The empirical tests show that gender-neutral family migration cannot be rejected against the alternative of husband-centered migration.... [more](#)

[The Effect of Local Area Crime on Mental Health](#)

CReAM Discussion Paper No 28/14

[Christian Dustmann](#) and [Francesco Fasani](#)

This paper analyses the effect of local crime rates on residents' mental health. Using longitudinal information on individuals' mental well-being, we address the problem of sorting and endogenous moving behaviour. We find that crime causes considerable mental distress for residents, mainly driven by property crime. Effects are stronger for females, and mainly related to depression and anxiety.... [more](#)

[Return Migration of Foreign Students](#)

CReAM Discussion Paper No 27/14

[Govert E. Bijwaard](#) and [Qi Wang](#)

Using administrative panel data, this paper presents a comprehensive empirical analysis of the return of recent foreign students in the Netherlands. We focus on how individual labour market changes and marriage formation influence their decision to leave. Our model allows for correlated unobserved heterogeneity across the migration, the labour market and the marriage formation processes.... [more](#)

Immigrants, Labour Market Performance and Social Insurance

CRReAM Discussion Paper No 26/14

Bernt Bratsberg, Oddbjørn Raaum, and Knut Røed

Using longitudinal data from the date of arrival, we study long-term labor market and social insurance outcomes for all major immigrant cohorts to Norway since 1970. Immigrants from high-income countries performed as natives, while labor migrants from low-income source countries had declining employment rates and increasing disability program participation over the lifecycle. Refugees and family migrants assimilated during the initial period upon arrival, but labor market convergence halted after a decade and was accompanied by.... [more](#)

Inventor Diasporas and the Internationalization of Technology

CRReAM Discussion Paper No 25/14

Ernest Miguélez

This paper documents the influence of diaspora networks of highly-skilled individuals – i.e., inventors – on international technological collaborations. Using gravity models, it studies the determinants of the internationalization of inventive activity between a group of industrialized countries and a sample of developing and emerging economies. The paper examines the influence exerted by skilled diasporas in fostering cross-country co-inventorship as well as R&D offshoring. The study finds a strong and robust relationship between inventor diasporas and different forms of international co-patenting.... [more](#)

The Impact of Mandated Employment Verification Systems on State-Level Employment by Foreign Affiliates

CRReAM Discussion Paper No 24/14

Catalina Amuedo-Dorantes, Cynthia Bansak and Allan A. Zebede

Faced with diminishing prospects for a comprehensive immigration reform at the federal level, states have started to take immigration matters into their own hands. For example, many states have been mandating the use of employment verification (E-Verify) systems to confirm work eligibility. Some of the consequences of these E-Verify mandates remain unclear.... [more](#)

On the Effectiveness of SB1070 in Arizona

CRReAM Discussion Paper No 23/14

Catalina Amuedo-Dorantes and Fernando Antonio Lozano

We investigate the effectiveness of Arizona's omnibus immigration law SB1070, which made it a misdemeanor crime for an alien to not carry proper documentation and asked police to determine the immigration status of any person suspected of being an illegal alien during a lawful stop. We find that SB1070's enactment coincided with the stalling to slight recovery of the share of non-citizen Hispanics in Arizona three years after the enactment of an employment verification mandate to all employers. [more](#)

How diverse can spatial measures of cultural diversity be? Results from Monte Carlo simulations of an agent-based model

CRReAM Discussion Paper No 22/14

Daniel Arribas-Bel, Peter Nijkamp and Jacques Poot

Cultural diversity is a complex and multi-faceted concept. Commonly used quantitative measures of the spatial distribution of culturally-defined groups – such as segregation, isolation or concentration indexes – are often only capable of identifying just one aspect of this distribution. The strengths or weaknesses of any measure can only be comprehensively assessed empirically. [more](#)

How the macroeconomic context impacts on attitudes to immigration: evidence from parallel time series

CRReAM Discussion Paper No 21/14

Joakim Ruist

This study investigates the effects of the macroeconomic context on attitudes to immigration. Earlier studies do in most cases not provide significant empirical support for the existence of important such effects. In this article it is argued that this lack of consistent evidence is mainly due to the cross-national setup of these studies being vulnerable to estimation bias caused by country-specific factors. [more](#)

Migration, Education and the Gender Gap in Labour Force Participation

CRReAM Discussion Paper No 20/14

Ilhom Abdulloev, Ira N. Gang and Myeong-Su Yun

Women who want to work often face many more hurdles than men. This is true in Tajikistan where there is a large gender gap in labour force participation. We highlight the role of two factors – international migration and education – on the labour force participation decision and its gender gap. Using probit and decomposition analysis, our investigation shows that education and migration have a significant association with the gender gap in labour force participation in Tajikistan. International emigration from Tajikistan.... [more](#)

Labour migrant adjustments in the aftermath of the financial crisis

CReAM Discussion Paper No 19/14

Bernt Bratsberg, Oddbjørn Raaum, and Knut Røed

Based on individual longitudinal data, we examine the evolution of employment and earnings of post-EU accession Eastern European labour immigrants to Norway for a period of up to eight years after entry. We find that the migrants were particularly vulnerable to the negative labour demand shock generated by the financial crisis. During the winter months of 2008/09, the fraction of immigrant men claiming unemployment insurance benefits rose from below 2 to 14 per cent. Some of this increase turned out to be persistent [more](#)

Other papers can be found in the [discussion paper list of our website](#).

What is CReAM?

The **Centre for Research and Analysis of Migration (CReAM)** is an independent and interdisciplinary research centre, with research currently funded by various research grants. CReAM's research focuses on the causes, patterns, and consequences of international population mobility and movements affecting the UK and Europe and on associated global processes. The Centre fills an important gap on research in international migration in Europe, and in the UK in particular. It is committed to conduct first rate independent conceptual and empirical research and to inform policy makers and specialized users about new research on migration. It serves as a communication and research platform for researchers around the world, through its extensive fellow list and discussion paper series, as well as an information resource for everybody interested in issues on migration.

Follow CReAM on Twitter

For those who use Twitter, [click here to follow us on Twitter](#). Get live updates on New Discussion Papers, Events and other interesting things happening at CReAM, by following CReAM on Twitter.



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